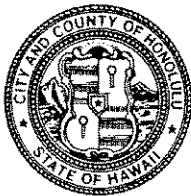


DEPARTMENT OF BUDGET AND FISCAL SERVICES
CITY AND COUNTY OF HONOLULU
530 SOUTH KING STREET, ROOM 208 • HONOLULU, HAWAII 96813
PHONE: (808) 523-4616 • FAX: (808) 523-4771 • INTERNET: www.honolulu.gov

MUFI HANNEMANN
MAYOR



MARY PATRICIA WATERHOUSE
DIRECTOR

PATRICK T. KUBOTA
DEPUTY DIRECTOR

February 2, 2006

The Honorable Ann Kobayashi, Chair
and Members
Budget Committee
Honolulu City Council
530 South King Street
Honolulu, Hawaii 96813

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CITY CLERK
HONOLULU, HAWAII
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Dear Chair Kobayashi and Committee Members:

This is in response to Councilmember Cachola's request on Bill 12 (2006) during the Special Budget Committee meeting held on January 26, 2006, to provide information on the average annual percentage increase in city operating expenditures for the past 10 years. Our Accounting Division prepared the enclosed schedule showing operating expenditures from FY 1996 to FY 2005. The schedule shows that the 10-year average percentage increase in operating expenditures was 2.65%. More recently, the last 4-year (FY 2002 to FY 2005) average percentage increase in operating expenditures was 5.45%.

If you need further information, please call me at 523-4617.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Waterhouse", written over a horizontal line.

Mary Patricia Waterhouse
Director

Enclosure

APPROVED:

A handwritten signature in black ink, appearing to read "Wayne Hashiro", written over a horizontal line.
Wayne Hashiro
Acting Managing Director

cc: Councilmember Romy Cachola

Dept. Com. No. 0111

**Operating Expenditures
Last Ten Years**

Fiscal Year	Total Expenditures	Interfund Transfers	Net Expenditures	Encumbrances	Grand Total	% Increase
2005	1,453,522,959.42	(289,602,993.92)	1,163,919,965.50	41,815,567.79	1,205,735,533.29	6.43%
2004	1,347,376,680.17	(257,283,816.91)	1,090,092,863.26	42,788,011.47	1,132,880,874.73	6.69%
2003	1,279,399,528.20	(262,103,445.28)	1,017,296,082.92	44,540,253.04	1,061,836,335.96	4.45%
2002	1,219,810,299.12	(243,730,557.16)	976,079,741.96	40,548,465.67	1,016,628,207.63	4.23%
2001	1,140,191,815.84	(200,720,887.85)	939,470,927.99	35,887,143.39	975,358,071.38	0.13%
2000	1,148,691,292.25	(222,587,155.08)	926,104,137.17	47,964,915.34	974,069,052.51	5.92%
1999	1,083,605,383.23	(208,839,218.04)	874,766,165.19	44,844,013.90	919,610,179.09	-6.94%
1998	1,171,015,172.09	(232,082,602.56)	938,932,569.53	49,250,515.10	988,183,084.63	0.61%
1997	1,136,837,321.67	(203,613,444.35)	933,223,877.32	48,956,682.96	982,180,560.28	1.75%
1996	1,079,803,909.78	(176,663,892.60)	903,140,017.18	62,174,516.39 (a)	965,314,533.57	3.22% (b)
10-Year Average (FY 1996 to FY 2005)						2.65%
4-Year Average (FY 2002 to FY 2005)						5.45%

(a) Reflects reduction for an interfund transfer encumbrance of \$58,269.13 for FY 1996.

(b) The calculation for the % increase for FY 1996 was based on the grand total of \$935,195,652.49 for FY 1995.